

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

CAMBRIDGE PLACE INVESTMENT
MANAGEMENT, INC.,

Plaintiff,

v.

MORGAN STANLEY & CO, INC., *et al.*,

Defendants.

CASE NO. 1:10-cv-11376

**DEFENDANTS DEUTSCHE BANK
SECURITIES, INC. AND ACE
SECURITIES CORP.'S JOINDER IN
NOTICE OF REMOVAL OF ACTION**

Defendants Deutsche Bank Securities, Inc. (“DBSI”) and ACE Securities Corp. (“ACE,” together with DBSI, the “Joining Defendants”) hereby consent and join in Defendants J.P. Morgan Securities, Inc., Bear Stearns Asset Backed Securities I LLC, Long Beach Securities Corp., SACO I Inc., Structured Asset Mortgage Investments II, Inc., and Washington Mutual Mortgage Securities Corp.’s Notice of Removal to this Court of the above-captioned action pursuant to 28 U.S.C. § 1332.¹ As additional grounds for removal, the Joining Defendants state as follows:

1. This Court has removal jurisdiction over this case pursuant to 28 U.S.C. §§ 1334(b), 1367, 1441, 1446, and 1452.
2. On or about July 9, 2010, Plaintiff Cambridge Place Investment Management, Inc. (“Plaintiff”) filed a Summons and Complaint captioned Cambridge Place Investment Management, Inc. v. Morgan Stanley & Co., et al., Case No. 10-2741, in the Superior Court of the Commonwealth of Massachusetts, Suffolk County (the “State Court Action”).

¹ The Joining Defendants appear specially for the purpose of removal only. They reserve all defenses as to jurisdiction, service, or that otherwise may be available in this action.

Pursuant to 28 U.S.C. § 1446(a), copies of the Summons and Complaint filed in the State Court Action are attached hereto as Exhibit A.

3. On or about July 15, 2010, Plaintiff served a copy of the Summons and Complaint on the Joining Defendants. Copies of the services of process are attached hereto as Exhibit B.

4. In the Complaint, Plaintiff alleges that certain entities, identified as “Clients,” purchased approximately 197 mortgage-backed securities (“MBS”) issued or underwritten by various defendants. Residential home mortgages provide the collateral for each of the MBS at issue, such that mortgage payments made by thousands of homeowners back the MBS at issue in this case. Plaintiff alleges that defendants provided the Clients with written materials in connection with the offering of the MBS that contained untrue or misleading statements. The allegations center on disclosures concerning the lending practices of originators of the mortgage loans that provide the collateral of the MBS.

5. Plaintiff purports to bring claims against the Joining Defendants under the Massachusetts Uniform Securities Act based on alleged misstatements or omissions of material fact in connection with the sale of the MBS to the Clients.

6. The Joining Defendants deny that they have any liability whatsoever to Plaintiff or the Clients.

7. The Joining Defendants’ time to answer the summons and complaint has not expired and neither of the Joining Defendants has served or filed an answer.

8. No motions or other proceedings in this action are pending in the State Court.

9. This Joinder In Notice Of Removal Of Action is timely under 28 U.S.C. § 1446(b) because it is filed within thirty (30) days of the Joining Defendants' receipt of the Summons and Complaint.

10. The allegations against DBSI and/or ACE arise in part from the following residential mortgaged-backed securities, each of which contains mortgages originated by bankrupt entities:

<u>Offering</u>	<u>Originator(s) in Bankruptcy</u>	Depositor	Underwriter
ALBT 2007-S1	Alliance Bancorp.	Alliance Securities Inc.	DBSI
ACE 2006-HE1	NC Capital Corp.; OwnIT Mortgage Solutions, Inc.	ACE	DBSI
ACE 2006-NC1	NC Capital Corp.	ACE	DBSI
ACE 2006-NC2	NC Capital Corp.	ACE	DBSI
ACE 2006-SL1	NC Capital Corp.	ACE	DBSI
ACE 2007-HE2	First NLC Financial Services, LLC; People's Choice Home Loan, Inc.	ACE	DBSI

11. In connection with each of these Offerings, the Originators in Bankruptcy made representations to the Joining Defendants regarding their respective loan underwriting standards and the nature of mortgage loan collateral.

12. On July 13, 2007, Alliance Bancorp filed a voluntary petition under Chapter 7 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware, In re Alliance Bancorp, Case No. 07-10942 (the "Alliance Bankruptcy

Proceeding”). The Alliance Bankruptcy Proceeding currently is pending before United States Bankruptcy Judge Christopher Sontchi.

13. On January 18, 2008, First NLC Financial Services LLC filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Florida, In re First NLC Financial Services, LLC, Case No. 08-10632, *et seq.*, (the “First NLC Bankruptcy Proceeding”). The First NLC Bankruptcy Proceeding is currently pending before United States Bankruptcy Judge Paul G. Hyman, Jr.

14. On April 2, 2007, NC Capital Corporation (“New Century”) filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware, In re NC Capital Corporation, Case No. 07-10420, *et seq.* (the “New Century Bankruptcy Proceedings”). The New Century Bankruptcy Proceedings are currently pending before Chief U.S. Bankruptcy Judge Kevin J. Carey.

15. On December 28, 2006, OwnIT Mortgage Solutions, Inc. filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Central District of California, In re OwnIT Mortgage Solutions, Inc., Case No 06-12579, *et seq.* (the “OwnIT Bankruptcy Proceeding”). The OwnIT Bankruptcy Proceeding is currently pending before U.S. Bankruptcy Judge Kathleen Thompson.

16. On March 20, 2007, People’s Choice Home Loan, Inc. filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Central District of California, In re People’s Choice Home Loan, Inc., Case No. 07-10765, *et seq.* (the “People’s Choice Bankruptcy Proceeding”). The People’s

Choice Bankruptcy Proceeding is currently pending before U.S. Bankruptcy Judge Robert N. Kwan.

17. Pursuant to agreements containing certain indemnification provisions for the benefit of the Joining Defendants, among others, and pursuant to statutory and common law, the Originators in Bankruptcy owe the Joining Defendants indemnification and/or contribution for any claims arising out of actual or alleged material misstatements or omissions by the Originators in Bankruptcy about the mortgage loans at issue.

18. This litigation is related to the bankruptcies listed in ¶¶ 12-16 above because the Originators in Bankruptcy owe indemnity and/or contribution obligations to the Joining Defendants. Such obligations could affect the property of the debtor.

19. Accordingly, this Court has original jurisdiction over this action pursuant to 28 U.S.C. § 1334(b), and this action may be removed to this Court by the Joining Defendants pursuant to 28 U.S.C. § 1452(b).

20. This is not a core proceeding under 28 U.S.C. § 157(b). The Joining Defendants do not consent to entry of final orders or judgment by any bankruptcy judge.

[signature page to follow]

Dated: August 13, 2010

Respectfully submitted,

DEUTSCHE BANK SECURITIES, INC;
and ACE SECURITIES CORP.

By their attorneys,

/s/

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